

Report to the Auburn City Council

Action Item
Agenda Item No.
City Manager's Approval

To: Mayor and City Council Members

From: Lance E. Lowe, AICP, Associate Planner

Date: November 23, 2009

Subject: Approval of a Tax Sharing Agreement Between the County of Placer and City of

Auburn for the Local Agency Formation Commission (LAFCO) annexation of

an ±8:3 acre property located at 13620 New Airport Road.

The Issue

Should the City Council Approve the Tax Sharing Agreement between the County of Placer and City of Auburn thereby completing the LAFCO application to annex an ± 8.3 acre property located at 13620 New Airport Road (Attachment 1)?

Conclusions and Recommendation

Staff recommends that the City Council take the following action:

A. By Resolution, approve the Tax Sharing Agreement between the County of Placer and City of Auburn thereby completing the LAFCO application to annex an ±8.3 acre property located at 13620 New Airport Road (Attachment 2).

History/Background

On September 14, 2009 the City Council authorized the Community Development Director to submit an application with the Placer County LAFCO for annexation of an ±8.3 acre property located at 13620 New Airport Road (Attachment 3).

In accordance with LAFCO law (Government Code §56000 et seq. cited as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and the Revenue and Taxation Code Section 99(b)), prior to the issuance of a certificate of filing by LAFCO, the local agencies (i.e. County and City) must first agree to a mutually acceptable exchange of property tax revenues.

Approval of the attached resolution with exhibits ratifies the Tax Sharing Agreement between the County of Placer and City of Auburn thereby completing the LAFCO annexation application submitted on September 21, 2009. Completion of the application allows Placer County LAFCO to initiate annexation proceedings, including a public hearing, which is scheduled for December 9, 2009.

The Tax Sharing Agreement has been negotiated between the County of Placer CAO's office and City of Auburn City Manager, in consultation with the Finance Department, Community Development Department, and the City Attorney.

Note that provisions of the Agreement will not establish a basis for future annexations nor will it set a precedent for other annexation related discussion with the County of Placer.

Alternatives Available to Council; Implications of Alternatives

- 1. Adopt the Resolution approving the Tax Sharing Agreement with the County of Placer and City of Auburn thereby completing the LAFCO application;
- 2. Do not adopt the Resolution approving the Tax Sharing Agreement with the County of Placer; or,
- Provide further direction to Staff.

Fiscal Impacts

The Tax Sharing Agreement has been negotiated by the City Manager, in consultation with the Finance Department, and is expected to have a positive fiscal impact on the City of Auburn General Fund.

Additional Information

Please see the following attachments for more details:

ATTACHMENTS -

- 1. Vicinity Map
- 2. Draft Resolution Approving the Tax Sharing Agreement with Exhibits:

Exhibit A – Property Legal Description

Exhibit B – Plat Map

Exhibit C – Draft Tax Sharing Agreement with Exhibits

3. City Council Staff Report dated September 14, 2009 with Attachments

- 14

A RESOLUTION APPROVING A TAX SHARING AGREEMENT BETWEEN THE COUNTY OF PLACER AND CITY OF AUBURN FOR PROPERTY LOCATED AT THE AUBURN AIRPORT AT 13620 NEW AIRPORT ROAD.

BE IT RESOLVED by the City Council of the City of Auburn as follows:

<u>SECTION 1</u>. The City Council desires to enter into a Tax Sharing Agreement with the County of Placer thereby completing the LAFCO application for annexation of an 8.3 acre property located at 13620 New Airport Road as described in **Exhibit A** and as illustrated in **Exhibit B** attached hereto and incorporated herein by reference.

- 1. The Tax Sharing Agreement attached herewith as **Exhibit C** and incorporated herein by reference is in accordance with Section 99(b) of the Revenue and Taxation Code.
- 2. The purpose of this Tax Sharing Agreement is to provide for distribution of available property tax revenues between the County of Placer and City of Auburn.
- 3. Placer County and the City of Auburn will continue provision of services including following annexation and property and sales taxes are the primary source of revenue to support such services.
- 4. The Tax Sharing Agreement will not establish a basis for future annexations nor will it set a precedent for other annexation related discussion between the County and City.
- 5. The 8.3 acre property to be annexed is within the North Auburn Redevelopment Project area and the property will remain under the jurisdiction of the Placer County Redevelopment Agency (PCRDA) upon annexation.

EXHIBITS

October 14, 2009

EXHIBIT "A" Legal Description Auburn Airport Annexation LAFCO Annexation No. 2009-04 Annexation to City of Auburn

The tract of land described in the Final Order of Condemnation to the City of Auburn recorded in Instrument No. 2004-0038213, Official Records of Placer County, and shown as Parcel 1 on Parcel Map No. P-75040 filed in Book 25 of Parcel Maps at Page 124, Official Records of Placer County, located in Section 27, Township 13 North, Range 08 East, M.D.M., Placer County, California described as follows:

Beginning at the Southwest corner of the above described Parcel 1 being a point on the Easterly line of the existing City of Auburn boundary from which point the West One Quarter Corner of Section 27 bears South 00°19'31" East for a distance of 1018.82 feet; thence (L1) North 00°19'31" West along the Westerly line of Parcel 1 being the Easterly line of the existing City of Auburn boundary for a distance of 303.00 feet to the Northwest corner of Parcel 1; thence (L2) North 88°18'54" East along the Northerly line of Parcel 1 being the Southerly line of the existing City of Auburn boundary for a distance of 1209.31 feet to the Northeast corner of Parcel 1; thence (L3) leaving the Southerly line of the existing City of Auburn boundary South 25°49'57" East along the Easterly line of Parcel 1 for a distance of 306.86 feet to the Southeast corner of Parcel 1; thence along the Southerly line of Parcel 1 the following three (3) consecutive courses and distances:

- 1) (L4) South 88°18'54" West for a distance of 964.66 feet;
- 2) (L5) South 42°46'25" West for a distance of 32.10 feet and
- 3) (L6) South 88°18'54" West for a distance of 354.89 feet to the Point of Beginning.

Containing 8.39 acres, more or less.

The basis of bearing for this description is the same as that on Parcel Map No. P-75040 filed in Book 25 of Parcel Maps at Page 124, Official Records Placer County. This description has been compiled from said record information.

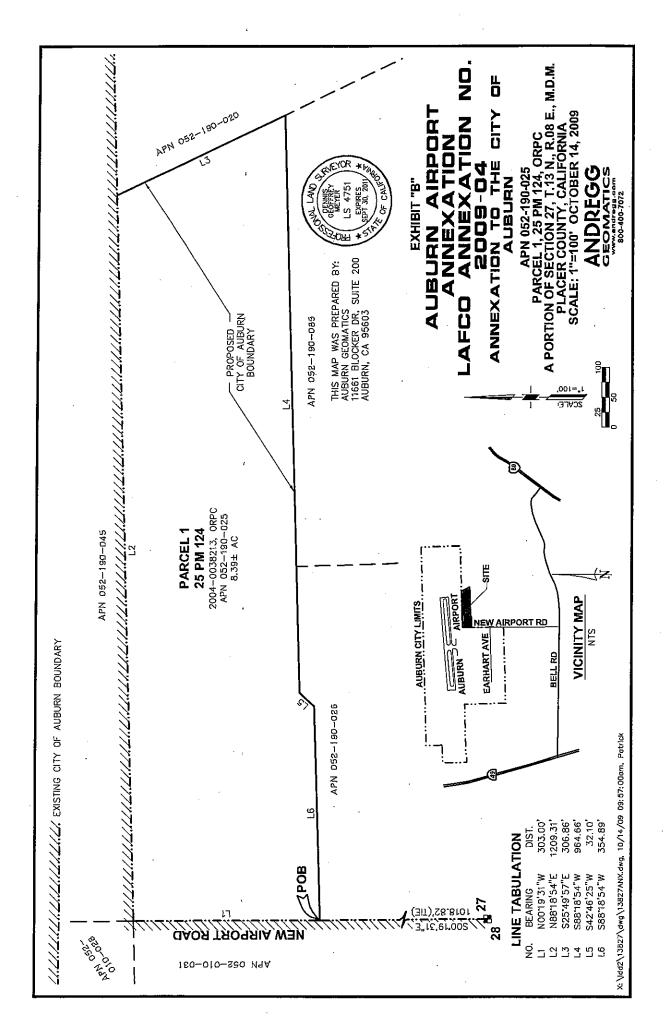
The above-described parcel is shown on Exhibit 'B' attached hereto and made a part hereof.

Description prepared by: Andregg Geomatics 11661 Blocker Dr, Suite 200 Auburn, Ca 95603

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AGREEMENT FOR APPORTIONMENT OF PROPERTY TAX REVENUES DUE TO JURISDICTIONAL CHANGE

This	Agreement	for Ap	portionment	of	Property	Tax	Revenues	Due	to
Jurisdictiona	ıl Changes ("Agreem	ent") is ma	de a	nd entered	linto	this	day	/ of
	, 2009,	by and	between	the	COUNTY	OF	PLACER,	a polit	ical
subdivision o	of the State o	f Califorr	iia ("County	"), ar	d the CITY	OF A	AUBURN, a	munici	ipal
corporation (("City").								

WHEREAS, Section 99(b) of the Revenue and Taxation Code provides that upon the filing of an application for a jurisdictional change, prior to the issuance of a certificate of filing by the Local Agency Formation Commission ("LAFCO"), the local agencies must first agree to a mutually acceptable exchange of property tax revenues; and

WHEREAS, Placer County will continue provision of most services including both Countywide and certain municipal type services following annexation; and

WHEREAS, property and sales taxes are the primary source of revenue to support such services; and

WHEREAS, the purpose of this Agreement is to provide for distribution of available property tax revenues between County and City, and

WHEREAS, the area to be annexed is within the North Auburn Redevelopment Project area and the property will remain will remain under the jurisdiction of the Placer County Redevelopment Agency (PCRDA) upon annexation; and

WHEREAS, it is recognized that taxes apportioned under this agreement will be subject to the statutory framework for apportionment of taxes for redevelopment project area until such time as the project area is terminated; and

WHEREAS, the parties have negotiated this Agreement for the exchange of property tax revenues for annexations occurring in the area referred to as the Auburn Airport as generally shown in Exhibit A and as described in Exhibit A-1 ("Annexation Area") attached hereto and incorporated by reference, whether or not applicable statutes change in the future; and

WHEREAS, this Agreement will not establish a basis for future annexations nor will it set a precedent for other annexation related discussion; and

WHEREAS, in consideration of the mutual covenants herein exchanged, the City and County agree to this tax sharing agreement.

NOW, THEREFORE, County and City agree as follows:

1. <u>Definitions.</u>

- a. The "Annexation Area" shall mean the area as described in Exhibits A and A-1 respectively, attached hereto and incorporated herein by reference.
- b. <u>Base Property Tax Revenues</u> shall mean the total amount of property tax revenues based upon the AB 8 gross levy for the fiscal year immediately preceding the year in which the annexation is proposed that accrues to: (1) Placer County (General Fund), (2) Consolidated Fire CSA #28 Zone 193; and (3) any other Affected Agency, as determined prior to any adjustment or revenue reallocation by the State of California for the Education Revenue Augmentation Fund (ERAF).
- c. <u>Incremental Property Tax Revenues</u> shall mean the amount of property tax revenues accruing to each Affected Agency attributable to the annual tax increment increase in assessed valuation in each fiscal year after the annexation is completed.
- d. <u>Affected Agency</u> shall mean each local agency whose service area or service responsibility would be altered by the jurisdictional change. The Affected Agencies within the Annexation Areas are the County of Placer and the City of Auburn.
- 2. <u>Affected Funds.</u> The County Auditor has notified the City and County pursuant to Revenue and Taxation Code section 99, subdivision (b)(2), that, of the 1% ad valorem property tax imposed pursuant to Article 13A, section 1 of the State Constitution, the property tax revenue which is subject to negotiated exchange consists of the Placer County General Fund percentage, 30.14% and the Consolidated Fire CSA#28 Zone 193 Fund, 8.54%.
- 3. Affected Tax Rate Areas which include all Base Property Tax Revenue or Incremental Property Tax Revenue available for allocation and distribution include:

TRA 056-164

4. <u>Allocation of Property Taxes.</u> Based on mutual agreement of both parties following completion of annexation of the identified area (and subject to the apportionment of

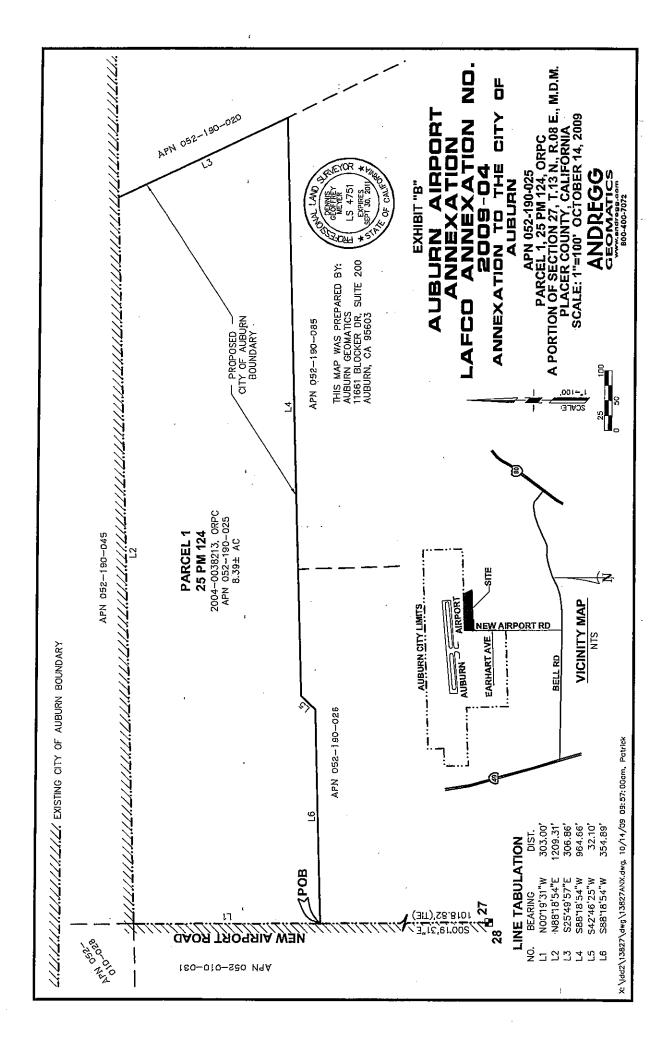
taxes for the redevelopment project area until such time that the project area is terminated)
Placer County shall:

- a. Retain 26.97% of the 1% property tax based on the sum total of all base and incremental property tax revenues (i.e. AB8 gross levy prior to adjustments and revenue transfers relative to the Education Revenue Augmentation Fund) accruing to the Placer County General Fund prior to annexation; and
- b. In the Consolidated Fire CSA #28 Zone 193, Placer County shall retain 8.54% of the of the 1% property tax based on the sum total of all base and incremental property tax revenues (i.e. AB8 gross levy prior to adjustments and revenue transfers relative to the Education Revenue Augmentation Fund).
- 5. The City of Auburn shall be apportioned the remaining balance of the property tax in the affected funds subject to the apportionment of taxes for the redevelopment project area until such time that the project area is terminated (Placer County General Fund and the Consolidated Fire CSA #28 Zone 193 fund) and all general sales tax received from sales in the annexed area.
- 6. <u>Imposition of Capital Facilities Fees.</u> City agrees that property which may be developed within any annexation area that is subject to this Agreement shall be required to pay the County capital facilities fees, as imposed on development within the City at the time of the issuance of a building permit for such property.
- 7. <u>Collection of Capital Facilities Fees.</u> City agrees that it shall impose upon a developer of property within the annexation areas the obligation to pay the capital facilities fee pursuant to a development agreement, if one is not yet agreed to by City and the developer, or any other legally binding mechanism agreed to by City and developer. City shall require the fee to be paid prior to or at the time of the issuance of the building permit, unless the Placer County Executive Officer and City Manager agree in writing otherwise.
- 8. <u>Calculation of Base Property Tax Revenue Amount.</u> The Base Property Tax Revenue to be apportioned, pursuant to Section 2 above, shall be calculated by utilizing the actual amount of tax revenues generated from all of the property in the area being annexed in the fiscal year prior to annexation, which total sum shall then be divided and allocated accordingly.

	9.	Commenc	emen	t of Excha	ange.	The excha	nge	of Ba	se Pr	opert	y Tax R	Reveni	лe
and	Incremen	tal Propert	y Tax	Revenue	shall	commence	one	year	after	the c	alendar	year	in
whic	ch the noti	ce of comp	etion	is filed.			:						

10. <u>Incremental Property Tax Revenue.</u> Nothing herein shall be interpreted to preclude City or County from receiving Incremental Property Tax Revenue attributable to an annexed territory according to the property tax apportionment methods used by the County Auditor-Controller, notwithstanding the fact that no Base Property Tax Revenues attributable to the annexed territory may have been previously received.

Auditor-Controller, notwithstanding the fact th	at no Base Property Tax Revenues attributable to
the annexed territory may have been previous	ly received.
· ·	nt shall be effective on, 2009, and samended by the mutual consent of the parties.
continue in fair force and offect the fourth affect	so amonada by the mataal consent of the parties.
CITY OF AUBURN	
Mike Holmes, Mayor City of Auburn	Date
COUNTY OF PLACER	•
Rocky Rockholm, Chairman Placer County Board of Supervisors	Date
County of Placer Approved as to Form	
Anthony J. LaBouff County Counsel	



October 14, 2009

EXHIBIT "A" Legal Description Auburn Airport Annexation LAFCO Annexation No. 2009-04 Annexation to City of Auburn

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The above-described parcel is shown on Exhibit 'B' attached hereto and made a part hereof.

Description prepared by: Andregg Geomatics 11661 Blocker Dr, Suite 200 Auburn, Ca 95603

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Report to the Auburn City Council

Action Item

Agenda Item No.

City Manager's Approval

To:	Mayor and City Council Members:
From:	Eance E. Lowe, AICP: Associate Planner
Date:	September 14-2009 as the september 14-2009 as
Subject:	Authorization for the Community Development Director to submit an
	application with the Placer County Local Agency Formation Commission (LARCO) for amexation of a ±83, acre parcel located at 13620 New Airport
	Road:

The Issue

Should the City Council Authorize the Community Development Director to submit an application to the Placer County Local Agency Formation Commission (LAFCO) to annex a ± 8.3 acre property located at 13620 New Airport Road (Attachment 1)?

Conclusions and Recommendation

Staff recommends that the City Council take the following actions:

- A. By Resolution, adopt a Categorical Exemption prepared for the project as the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA) and Guidelines (Attachment 2); and,
- B. By Resolution, authorize the Community Development Director to submit an application with LAFCO to annex a ±8.3 acre property located at 13620 New Airport Road (Attachment 3).

History/Background

Adoption of the attached resolutions provides authorization to the Community Development Director to submit an application for annexation, of a ±8.3 acre property, to LAFCO on behalf of the City. The property located at 13620 New Airport Road adjoins property currently within the City's jurisdiction and is within the City's Sphere of Influence. The City acquired fee title to the ±8.3 acre property in 2005. Annexation of the property is consistent with the City's Airport Land Use Plan considering that improvements on the site have been built out in accordance with the adopted Auburn Airport Land Use Plan.

Contingent upon completion of a tax sharing agreement with Placer County, the processing of the annexation through LAFCO will take approximately 3 months. Upon annexation of the property,

the property will be designated within the City's Airport Industrial Design Control (AI-DC) District.

Environmental Determination

In accordance with the Auburn Airport Layout Plan, the subject property is built out with airport related improvements. In accordance with Section 15319, Class 19, of the California Environmental Quality Act (CEQA) and Guidelines, the project has been determined to be Categorically Exempt as follows:

- a) Annexations to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.
- b) Annexations of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

Alternatives Available to Council; Implications of Alternatives

- 1. Adopt the Resolutions authorizing the Community Development Director to submit an application to the Placer County Local Formation Commission; or,
- 2. Do not adopt the Resolutions authorizing the Community Development Director to submit an application to the Placer County Local Formation Commission; or,
- 3. Provide further direction to Staff.

Fiscal Impacts

The total cost of the annexation is estimated at \$5,225.00. A deposit of \$1,500 is required concurrently with the submittal of the LAFCO application. A completed LAFCO application requires preparation of legal descriptions and plat map (\$2,920); County of Placer plan review fees (\$255.00); State Bureau of Equalization review (\$500.00); and, filing of the Categorical Exemption with the Placer County Recorder's Office (\$50.00).

Monies for the application will be paid from the City's Airport Fund.

Additional Information

Please see the following attachments for more details:

ATTACHMENTS -

- 1. Vicinity Map
- 2. Resolution adopting Categorical Exemption with Attached Categorical Exemption
- 3. Resolution Authorizing the Community Development Director to submit a LAFCO application with the Placer County Local Formation Commission.

 CITY COUNCIL RESOLUTION NO. 09-___

A RESOLUTION ADOPING A CATEGORICAL EXEMPTION PREPARED FOR A PROPOSED APPLICATION FOR ANNEXATION OF A 8.3 ACRE PROPERTY LOCATED AT 13620 NEW AIRPORT ROAD (ANN 05-2)

THE CITY COUNCIL OF THE CITY OF AUBURN DOES HEREBY FIND, RESOLVE AND ORDER AS FOLLOWS:

SECTION 1. The City Council has considered all of the evidence submitted which includes, but is not limited to:

- 1. Staff report prepared by the Community Development Department for the September 14, 2009, City Council meeting.
- 2. All related documents received or submitted at or prior to the meeting.
- 3. The City of Auburn General Plan, Subdivision Ordinance, Zoning Ordinance, City of Auburn Airport Land Use Plan, County of Placer General Plan and Zoning Ordinance, and all other applicable regulations and codes.

<u>SECTION 2</u>. In review of all of the foregoing evidence, the City Council finds the following:

- 1. The City Council, finds that the project is Categorically Exempt in accordance with Section 15319, Class 19 as the appropriate level of environmental review in accordance with the California Environmental Quality Act (CEQA) and Guidelines (**Exhibit A**).
- 2. The property is built out in accordance with the adopted Auburn Airport Land Use Plan.
- 3. The City Council has determined that the Categorical Exemption is the appropriate level of environmental review for the proposed project.

	11				
1	Section 3. The time in which to seek judicial review of this decision shall				
2	be governed by Code of Civil Procedure Section 1094.6. The City Clerk shall				
3	certify to the adoption of this resolution, transmit copies of the same to the				
4	applicant and his counsel, if any, together with a proof of mailing in the form				
5	required by law and shall enter a certified copy of this resolution in the book of				
6	resolutions of the City.				
7					
8	DATED: September 14, 2009				
9					
10	J.M. Holmes, Mayor				
11					
12	ATTEST:				
13					
14	Joseph G. R. Labrie, City Clerk				
15					
16	I, Joseph G. R. Labrie, City Clerk of the City of Auburn, hereby certify				
17	that the foregoing resolution was duly passed at a regular meeting of the City of Auburn held on the 14 th day of September 2009 by the following vote on				
18	roll call:				
19	Ayes:				
20	Noes: Absent:				
21					
22	Joseph G. R. Labrie, City Clerk				
23					
24					
25					
26					

COUNTY RECORDER Filing Requested by:

EXHIBIT A

City of Auburn, CDD	
Lance E. Lowe, AICP, Associate Planner	
1225 Lincoln Way, Room 3	
Address	
Auburn, CA 95603	
City, State, Zip	

Notice of Exemption

To:

Placer County Clerk 2954 Richardson Drive Auburn, CA 95603

To:

Office of Planning and Research 1400 Tenth Street, Room 121 Sacramento, CA 95814



Project Title:

Denham Property Annexation (File # ANN 05-2) (530) 823-4211 ext 103

13620 New Airport Road Auburn, CA 95602

Project Location: Subject property is located at 13620 Auburn, CA 95602

<u>Project:</u> Authorization to submit an application for annexation of an 8.3 acre parcel adjacent to the City of Auburn Municipal Airport.

Categorical Exemption: "15319, Class 19"

Reasons why project is exempt: Section 15319, Class 19 consists of the following annexations:

- a) Annexation to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.
- b) Annexations of individual small parcels of the minimum size of facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

This is to advise that the Auburn City Council, as the lead agency in accordance with CEQA, adopted a Categorical Exemption on <u>September 14, 2009.</u>

Lead Agency Contact Person: Lance E. Lowe,	Telephone Number: (530) 823-4211ext. 10			
Signature (Public Agency):	Date:	·		
Date received for filing at OPR:				
		•		

FILE #	_FILE NAME	
AUTHORIZED SIG	NATURE	
	 -	· · · · · · · · · · · · · · · · · · ·

RECEIPT #	
FEE STATUS	

RESOLUTION NO. 09-___

A RESOLUTION AUTHORIZING THE COMMUNITY DEVELOPMENT DIRECTOR TO SUBMIT AN APPLICATION FOR ANNEXATION TO THE PLACER COUNTY LOCAL AGENCY FORMATION COMMISSION (LAFCO) FOR PROPERTY LOCATED AT 13620 NEW AIRPORT ROAD.

BE IT RESOLVED by the City Council of the City of Auburn as follows:

SECTION 1. The City Council desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 56000 et. seq.) for the annexation of a 8.3 acre property located at 13620 New Airport Road into the City of Auburn as illustrated in Exhibit A attached hereto and incorporated herein by reference.

- 1. The territory proposed to be annexed is uninhabited and an illustration of the boundaries of the territory is set forth in Exhibit A attached hereto and incorporated herein by reference.
- 2. The property is within the sphere of influence of the City.
- 3. The proposed annexation of airport related City owned property into the jurisdiction of the City of Auburn furthers the interests of the City of Auburn.
- 4. Existing services are available to serve the property proposed for annexation.
- 5. The proposed annexation is consistent with the Auburn Airport Land Use Plan. The property is built out in accordance with the Airport Land Use Plan.
- 6. As the sole owner of the property, the City of Auburn requests a waiver of conducting authority under Government Code Section 56663(a). and,
- 7. The annexation of property into the City of Auburn is not subject to a Williamson Act Contract.